and living conditions in the Project cities and Urban Local Bodies (ULBs) under the Project. Project cities include Kochi, Kollam, Kozhikode, Thiruvananthapuram and Thrissur and ULB is any urban local body situated in Kerala including any of the Project cities.

Effect of rate of interest on infrastructure projects

†3570. SHRIMATI SUSHMA SWARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the infrastructure related projects are affected due to increase in rate of interest; and

(b) if so, the efforts being made by Government to complete the said projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir, Infrastructure-related projects like all other projects are affected due to increase in rate of interest. In particular, the existing projects are affected due to cost overruns.

(b) Though interest rate risk is a critical factor, it is not the only factor affecting the completion of the projects. Not many infrastructure projects have been stalled only due to rise in interest rates. Furthermore, the concessionaires normally make prior arrangements to reduce the adverse effect of a rise in interest rate. Nowadays, long term loans are being negotiated and the reset periods are coming down. Also the cost estimates of several public sector infrastructure projects have been revised upward to enable their timely completion.

Staff crunch in Income Tax Department

3571. SHRI SYED AZEEZ PASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income Tax Department has been facing acute staff crunch though the number of assessees and tax collection have increased;

†Original notice of the question was received in Hindi.